

Total No. of Questions : 5]

SEAT No. :

**P3784**

**[4870]-1001**

[Total No. of Pages : 8

**M.B.A.**

**101 : ACCOUNTING FOR BUSINESS DECISIONS**

**(2013 Pattern) (Semester - I)**

*Time : 2½ Hours]*

*[Max. Marks : 50*

*Instructions to the candidates:*

- 1) *All questions are compulsory.*
- 2) *Each question carries 10 marks.*
- 3) *Use of Simple calculator is allowed.*

**Q1) a)** “Management accounting is an important tool for planning, control & decision making. Explain this statement. **[10]**

OR

b) Write short notes on: (Any 2) **[10]**

- i) Going Concern Concept
- ii) Business Entity concept
- iii) Convention of consistency

**Q2) a)** Explain the importance & objectives of financial statements. **[10]**

OR

b) Give the disclosure requirements of following items of Balance Sheet as per schedule VI of companies Act- **[10]**

- i) Fixed Assets
- ii) Reserves & Surplus

**Q3) a)** Define Cost Accounting? Also explain the various types of costs? **[10]**

OR

b) Prepare Cost Sheet from the following information: **[10]**

Rs.

Raw Materials Consumed 40,000

Wages paid to labourers 10,000

**P.T.O.**

Directly chargeable expenses		2,000
Oil & Waste		100
Wages of Foreman		1,000
Storekeepers Wages		500
Electric Power		200
Lighting : Factory	500	
Office	<u>200</u>	700
Rent : Factory	2,000	
Office	<u>1,000</u>	3,000
Repairs & Renewals:		
Factory Plant	500	
Machinery	1,000	
Office premises	<u>200</u>	1,700
Depreciation:		
Office Premises	500	
Plant & Machinery	<u>200</u>	700
Consumable stores		1,000
Manager's Salary		2,000
Director's fees		500
Office Printing & Stationery		200
Telephone charges		50
Postage & Telegrams		100
Salesmen's Commission & Salary		500
Travelling Expenses		200
Advertising		500
Warehouse charges		200
Carriage outward		150

**Q4) a)** The following transactions took place in respect of a material item: **[10]**

Data	Receipt Quantity	Rate	Issue Quantity
March 2	200	Rs.20	
March 3	300	Rs.24	
March 15			250
March 18	250	Rs.26	
March 20			200

Prepare a stores Ledger A/C, using

- i) Simple average method
- ii) Weighted average method

OR

b) X Ltd. has two production departments & two service departments & provides you the following data: **[10]**

	Production Dept.		Service	Dept.
	P <sub>1</sub>	P <sub>2</sub>	S <sub>1</sub>	S <sub>2</sub>
Direct Materials	40,000	30,000	20,000	10,000
Direct Wages	15,000	20,000	5,000	10,000
Floor Area (sq.Feet)	5,000	4,000	3,000	2,000
Value of plant & machinery	50,000	60,000	20,000	10,000
Value of stock	35,000	25,000	5,000	5,000
No.of Workers	10	50	25	25
No.of light points	200	50	25	25
Horse Power of machines	50	25	15	10

The indirect expenses for the period were:

Factory Rent, Rates, Taxes & Repairs	Rs.14,000
Depreciation, Insurance & Repairs of Machinery	Rs.28,000
Insurance of stock	Rs.7,00
Supervision & staff welfare expenses	Rs.2,000

Stores Overheads	Rs.1,000
Lighting & Heating	Rs.3,000
Power	Rs.1,000

Prepare the statement showing the apportionment of overheads.

**Q5) a)** The sales turnover & profit during two years were as follows: **[10]**

Year	Sales(Rs.)	Profit(Rs.)
2011	1,40,000	15,000
2012	1,60,000	20,000

You are required to calculate:

- P/v Ratio
- Sales required to earn a profit of Rs. 40,000
- Profit when sales are Rs.1,20,000.

OR

**b)** The expenses for the production of 5,000 units in a factory are given as follows: **[10]**

	Per Unit Rs.
Materials	50
Labour	20
Variable Overheads	15
Fixed Overheads (Rs.50,000)	10
Administrative Expenses (5% variable)	10
Selling Expenses (20% Fixed)	6
Distribution Expenses (10% Fixed)	5
Total Cost of sales per unit	<u>Rs.116</u>

You are required to prepare a budget for the production of 7,000 units.



Total No. of Questions : 5]

**P4445**

**[4870]-1001**

**M.B.A.**

**101 : ACCOUNTING FOR BUSINESS DECISIONS**

**(2013 Pattern) (Semester - I) (Revised)**

*Time : 2 ½ Hours]*

*[Max. Marks : 50*

*Instructions to the candidates:*

- 1) *All questions are compulsory.*
- 2) *All questions carry equal marks.*
- 3) *Use of calculators as applicable is allowed.*

**Q1) a)** What are the key areas of difference between Financial, cost and management accounting? Elaborate in detail.

OR

b) “Role of Management accounting is increasing day by day in the global business environment”. Explain the statement.

**Q2) a)** Write in detail the various concepts and conventions of financial accounting.

OR

b) From the following transaction of Mrs. Sharma and company you are required to prepare trading, profit and loss A/C and balance sheet for the year ended 31-3-2015.

Particulars	Rs.	Particulars	Rs.
Sales	3,55,000	Sundry debtors	30,000
Sales Returns	5,000	Rent Received	3,000
Purchase	2,52,000	Discount Received	3,000
Return out wards	2,000		
Carriage out ward	1,000	Discount allowed	2,000
Carriage inward	5,000	Commission allowed	1,000
Opening stock	40,000	Taxes and Insurance	3,000
Direct expenses	5,000	Provision for doubtful	
Capital	60,000	Debts	2,000
Furniture	5,000	Bad debts	1,500
Bank Over draft	10,000	Salaries	20,000
Plant and Machinery	40,000	Dividend paid	5,000
Building	45,000	General Exp	5,000
Sundry creditors	25,000	Rent paid	3,000
Bills payable	30,000	Bills Receivable	21,500

Additional Information

- i) Stock at the end Rs. 42,000
- ii) Depreciation made on plant and machinery Rs.2,000 and Building Rs.1,000.
- iii) Provision for doubtful Debts@5% on sundry debtors.
- iv) Out standing Rent Rs.1,000.
- v) Prepaid salaries Rs.1,000.
- vi) Interest on capital @5%.

**Q3) a)** The following are the receipts and issues of coal in a factory for the month of January 2015.

- Jan 1 Opening stock 200 tonnes@Rs460 per tonne.
- Jan 3 Issued 140 tonnes
- Jan 6 Purchased 350 tonnes @ Rs.450 per tonne
- Jan 8 Condemned due to deterioration in quality and transferred to scrap 30 tonnes
- Jan 9 Issued 80 tonnes
- Jan 14 Issued 210 tonnes
- Jan 17 Purchased 200 tonnes @ Rs.480 per tonne
- Jan 20 Issued 120 tonnes
- Jan 25 Purchased 180 tonnes @ Rs. 470 per tonne
- Jan 28 Issued 280 tonnes

Show the stores ledger account under FIFO system.

b) A company has three production departments and two service departments their primary distribution costs are as follows:

Production Dept	Service Dept
A. Rs.7,810	X Rs. 4,000
B. Rs. 12,543	Y Rs.2,600
C. Rs. 4,547	

The expenses of service department are charged on a percentage basis as follows.

Particulars	A	B	C	X	Y
Service Dept X	30%	40%	20%	-	10%
Service Dept Y	10%	20%	50%	20%	-

Show secondary Distribution under

- Repeated "Distribution Method
- Simultaneous Equation Method

**Q4) a)** A company expenses to have Rs.37,500/- cash in hand on 1<sup>st</sup> January 2015 and requires you to prepare an estimate of cash position during the three months January 2015 to March 2015. The following information is supplied to you

	Sales Rs.	Purchases Rs.	Wages Rs.	Factory Expenses Rs.	Office Expenses Rs.	Selling Expenses Rs.
Nov 14	75,000	45,000	9,000	7,500	6,000	4,500
Dec 14	84,000	48,000	9,750	8,250	6,000	4,500
Jan 15	90,000	52,500	10,500	9,000	6,000	5,250
Feb 15	1,20,000	60,000	13,500	11,250	6,000	6,570
March 15	1,35,000	60,000	14,250	14,000	7,000	7,000

Other information

- Period of credit allowed by suppliers - 2 months
- 20% of sales is for cash and period of credit allowed to customers for credit sales is one month
- Delay in payment of all expenses 1 month.
- Income Tax of Rs.57,500 is due to be paid in March 15<sup>th</sup> 2015.
- The company is to pay dividend to shareholders and bonus to workers of Rs.15,000 and Rs.22,000 respectively in the month of Jan
- New plant has been purchased and cash to be paid in the month of february 2015. It will cost Rs. 1,20,000.

- b) From the following information compute
- Material Mix variance and
  - Material usage variance

Material	Standard			Actual		
	Qty kg	Unit Price (Rs)	Total (Rs)	Qty kg	Unit Price (Rs)	Total (Rs)
A	10	2.00	20.00	5	3.00	15.00
B	20	3.00	60.00	10	6.00	60.00
C	20	6.00	120.00	15	5.00	75.00
TOTALS	50		200.00	30		150.00

- Q5) a) The price structure of a pocket radio manufactured by M/s XYZ Ltd is as follows.

	Per Radio (Rs)
Material Cost	120
Labour Cost	40
Variable overheads	40
Fixed overheads	<u>100</u>
Total Cost	300
Profit	<u>100</u>
Selling price	<u>400</u>

The cost structure is based on 1,000 radio per year. In order to face the increasing intensity of the competition the company wants to reduce the price without affecting the existing profit

You are required to find out sales volume if:

- The selling price is decreased by 10%
  - The selling price is decreased by 20%
- b) The following information is obtained from ABC Ltd and XYZ Ltd in a year

Particulars	ABC Ltd (Rs)	XYZ Ltd (Rs)
Sales	3,00,000	3,00,000
(-) Variable Cost	2,00,000	2,25,000
(-) Fixed Cost	50,000	25,000
Estimated Profit	50,000	50,000

You are required to calculate for each company

- Profit volume ratio and Break Even point
- Margin of safety

